



Recommended FY17 Annual Budget and FY17-26 CIP

**Public Budget Forum
May 4, 2016**

Agenda



- FY16 Highlights
- FY17 Budget Process Overview
- Recommended FY17 Budget and FY17-26 10-Year CIP Overview
- Next Steps

FY16 Highlights

Government Efficiencies	Quality of Life	Enhanced City Services	Growth/Economic Development
<ul style="list-style-type: none"> • Performance Management Program • Improved Asset Management • Development Continuum Customer Service Improvements • Police Officer Recruitment Strategies • Retaining Talent 	<ul style="list-style-type: none"> • Police Operations Facility Groundbreaking and Opening of Phase I • Parks Improvements • Pump Track Phase II (volunteer-driven) • Camp FIRES • New Traffic Signals 	<ul style="list-style-type: none"> • Inaugural Veterans Day Event • Enhanced Social Media Strategies • Conducted Citizen Survey • Record Breaking Spring Training Season • Citizens Academy 	<ul style="list-style-type: none"> • Development of Business Friendly Values • 303 South Expansion • Growth in Residential Development



Award Winning Community

“If you're looking for a great place to live in Arizona, you can't do any better than Goodyear.”

“That's according to the financial blog 24/7 Wall Street, which ranked the West Valley suburb No. 7 on its newest ranking of America's 50 best cities to live.” – *The Phoenix Business Journal*

- High Average Household Income
- Low Poverty Rate
- Safe Place to Live
- Positive Employment Growth

FY16 Highlights – Economic Development

More than one million commercial square feet currently under construction, including:

- Michael Lewis Company
- Recreational Equipment Inc. (REI)
- Sub-Zero Expansion
- Lux Air Jet Centers

An additional 650,000 square feet currently in the development process.

FY16 Highlights – Economic Development

- Goodyear's Oregano's Pizza Bistro continues to be the busiest location in Arizona . . . and is expanding!
- Harkins Theatres is projected to open in September.
 - Two sites to the south of Harkins will be ready for retail use by the end of 2016.
- Burlington will open in the fall of 2016.
- Many restaurants and retail options, including Angry Crab and Carter's, have had recent openings.

FY16 Highlights – Economic Development

- 150 entrepreneurs assisted through Goodyear's InnovationHub.
- More than 100 small businesses assisted through stages of the development process.
- Close to 100 active prospective businesses in evaluation stages with city of Goodyear for location or expansion.

FY16 Department Efficiencies

- Fire Department
 - ❖ Reduce down time for annual hose inspection from 72 to 12 hours
 - ❖ Implemented an electronic patient care reporting system to allow 100% of reports to be reviewed
- Volunteer Program coordinated by Human Resources
 - ❖ 30,000 hours for \$690K in value added April 2015-March 2016
- Information Technology negotiated software implementation and purchase discounts worth more than \$40,000
- The Pump Track received an APRA Partnership Award

FY16 Department Efficiencies Through LEAN Techniques

- Parks reduced maintenance staff mobilization time saving 1,300 staff hours annually. This helped the department to improve its parks maintenance score from 82% to 85%.
- Development Services, Engineering and Economic Development made numerous process improvements:
 - Single family reviews down from 10 to 4 days
 - Same day administrative reviews
 - Final plats recorded in 3 days rather than 3 weeks
 - Permits by Email are issued within 2 business days rather than being batched and taking 4 to 6 days
 - Project close out meetings bring projects to close in 25 days on average down from 45 days

FY16 Department Efficiencies

- Engineering reorganized to address changing work loads
 - ❖ Converted an existing position and transferred it to Public Works to perform new workloads for storm water coordination
 - ❖ Redistributed assignments to provide for a CIP project manager needed to address growing project workload
- Finance to take over Business Registration & absorb cost increases
 - ❖ Engineering made significant improvements to program in FY16

Debt Management



- Refinance or refundings in progress
 - Estimated savings over term of refinance
 - \$0.9M Property Tax
 - \$2.3M Water and Wastewater
 - \$12.4M General Fund for Ballpark
- Preparing for Ballpark principal payment increase in FY19 with set-aside
- New bonds for critical water system infrastructure

Bond ratings

Bond Type	Rating	
	S&P	Moody's
General Obligation Bonds	AA	Aa2
Goodyear Public Improvement Corporation	AA-	Aa3

FY17 Budget Development Process

Base Budget Development & Monitoring



Current Fiscal Year Monitoring

- Quarterly reviews of current spending with each department and Finance
- Monthly Financial Report

New Budget Year Ongoing Base Budget

- Department prepares estimated costs to deliver current services
- Reviewed by Finance and City Manager Office

Requests for Budget Increases



Capital Projects

- Departments and City Council generate ideas
- Departments prepare requests
- Finance and Engineering review requests
 - Project scope description
 - Cost estimates reasonable and thorough

Supplementals

- Department prepares costs, description, explanations
- Reviewed by Finance and City Manager Office

Guiding Principles and Budget Highlights



- Take Care of What We Have
 - Asset Management
- Public Safety
 - Police, storm drainage
- Plan for Anticipated Operating Costs
 - Set-asides
- Attract, Develop, and Retain a Skilled Workforce
 - Right tools, training and development
- Gathering Place/100 Acre Site

Citizen Survey Feedback

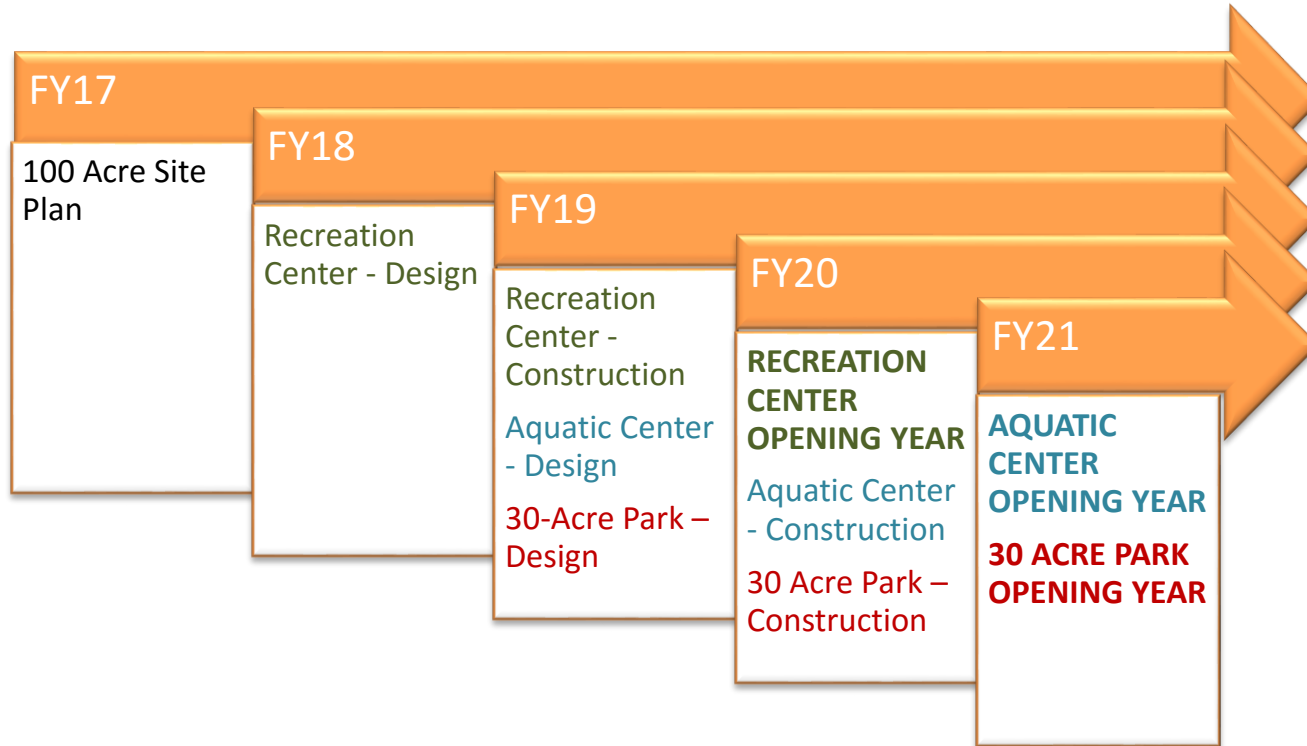
Goodyear residents top 2 priorities for funding were maintaining and improving parks, and providing recreational opportunities.



Additional parks amenities:

- Playground updates with shade canopies in FY16 or FY17
 - Canada Village
 - Estrella Vista North and South
 - Palm Valley
- New children's playground in FY17
 - Foothills Community

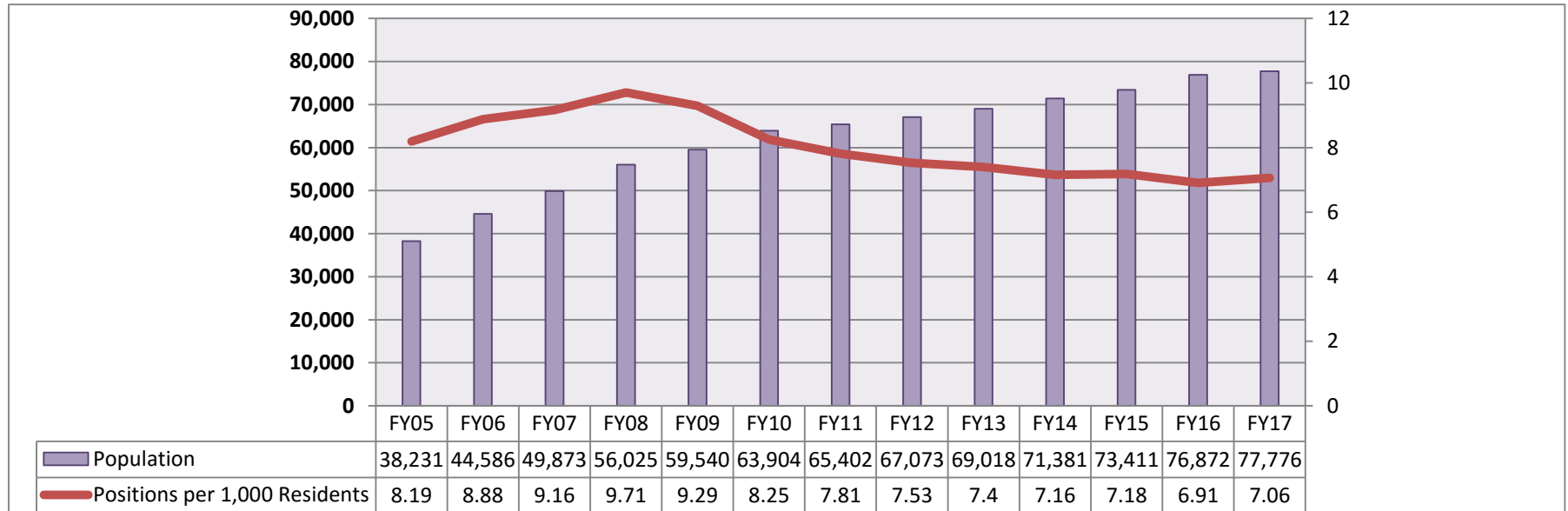
Gathering Place Projects - Timeline



17 New Positions, Including 8 Sworn Police



Positons per 1,000 Population



General Budget Terms

- **General Fund**

- Basic services – public safety, parks, streets, administration
- Sales, property and state-shared taxes and use fees

- **Enterprise Funds**

- Costs paid from fees for service
- Water, Wastewater, Sanitation, Stadium (Stadium receives General Fund support)

- **Others**

- Funds restricted by provider to specific purpose
- Gas taxes (HURF), donations, grants, debt service, development related payments and fees including impact fees

Types of Expenses or Uses



- **Operations and Maintenance (O&M)**– day-to-day operations
 - **Personnel Services** – salaries and benefits
 - **Commodities** – supplies such as fuel, parts and paper
 - **Contractuals** – services such as utilities, contracts for maintenance
 - **Capital Outlay** – Equipment such as vehicles and computers
- **Debt Service** – Principal and interest payments on items or projects financed through bonds (similar to a mortgage)
- **Capital Improvement Program (CIP) Projects** – Studies, design, equipment and/or construction of major facilities and infrastructure such as streets, buildings and software
- **Interfund Transfers** – Movement of resources between funds for cost sharing or services provided from one fund to another

Types of Revenues



- **Local Sales Taxes** – Tax on selling price of goods or goods with services. Construction portion is treated as a one-time revenue.
- **Property Taxes** – Tax based on value of property. Provides ongoing (Primary) and debt service (Secondary) funding.
- **State-Shared Revenue** – Sales, Income, Vehicle License and Gas taxes collected by state and shared with cities based on formulas.
- **Use Charges or Fees** – Fees charged for certain direct services such as building permits and utility use.
- **Impact Fees** – Fees charged to new construction projects for the cost of certain new infrastructure required to support growth. The fees are supported and determined through an underlying growth and infrastructure plans.

- **Interfund Transfers** – Resources moved between funds to match costs with the benefitting fund. Examples include transfers from an enterprise to general fund for costs such as centralized human resources and finance services.
- **Fund Balance** – Excess of resources over expenditures. This occurs due to items such as budgeted reserves or contingencies that are not spent, timing differences, and actual revenues and expenditures varying from budgeted levels.

Ongoing vs. One-time



Ongoing – Expenses such as utilities, salaries, contract services and other costs that occur each year. These are supported by consistent revenue streams such as sales and property taxes and user fees or charges.

One-Time – Expenses such as vehicles, equipment, capital projects that do not repeat each year. These are supported by ongoing or one-time resources such as fund balance, project specific contributions, and construction sales taxes.

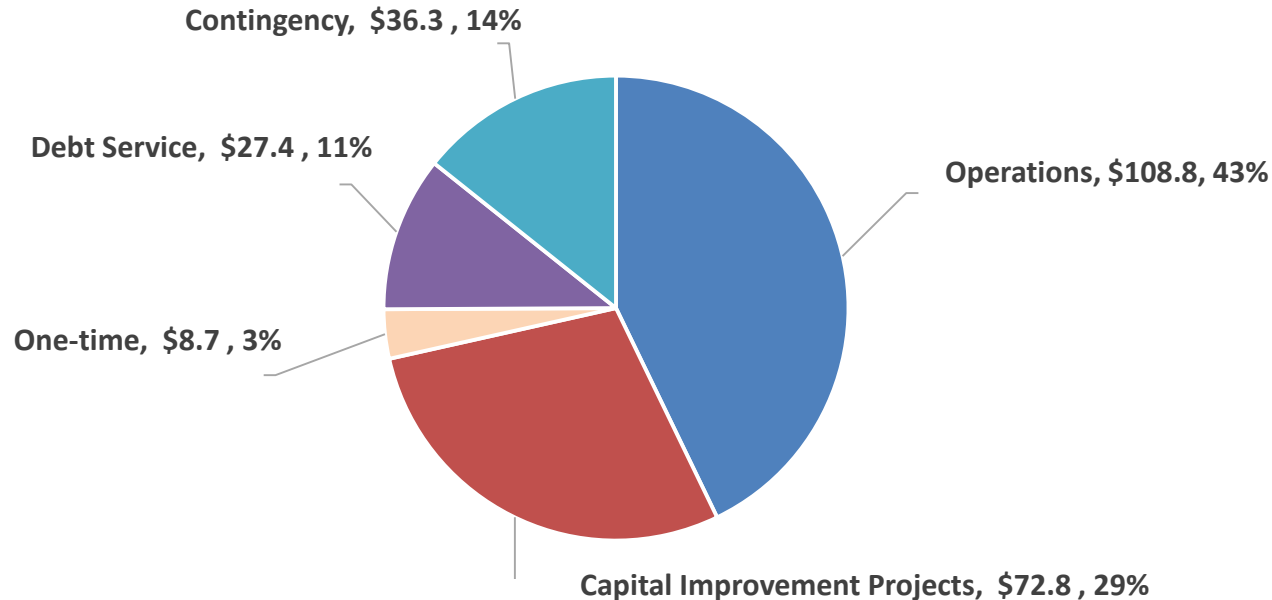
- **Base Budget** – The ongoing cost of delivering the same services. One-time items are not considered part of the base budget.
- **Supplemental** – An addition to increase a base budget for cost increases such as inflation or growth in accounts, to add new services and related positions, or for one-time items.

Proposed FY17 Budget

All Funds FY17 Proposed Budget - \$254M



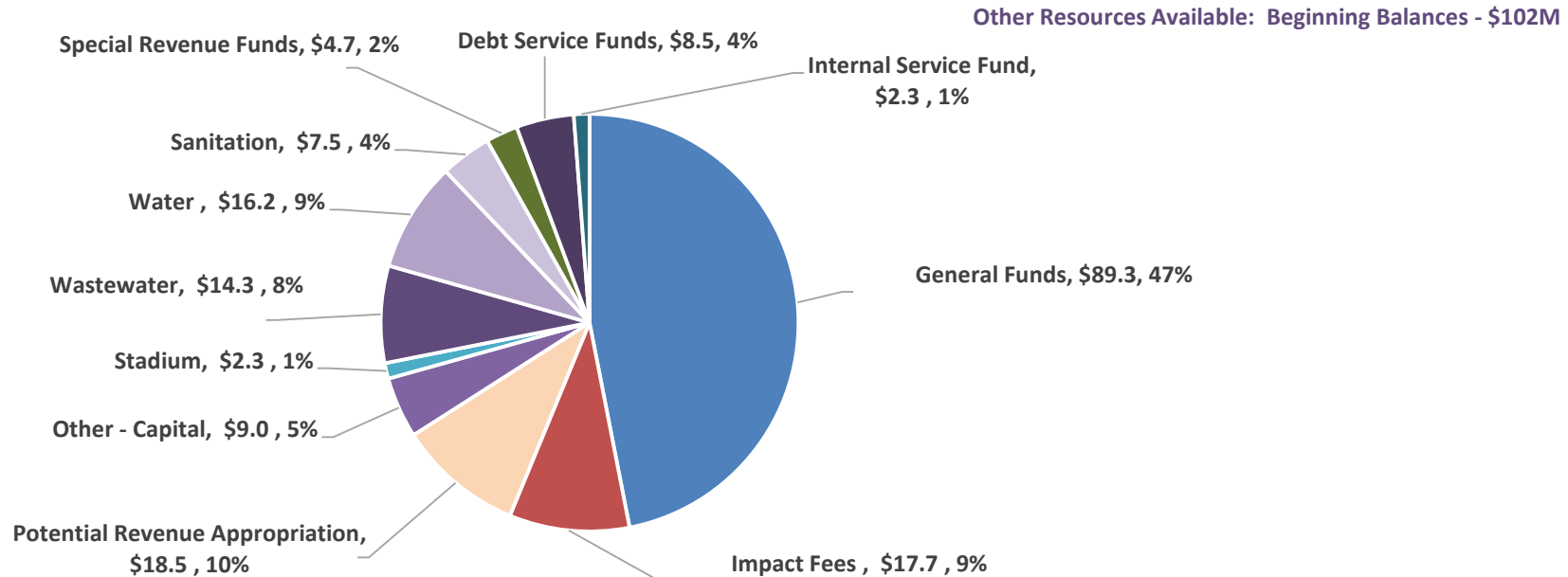
(in millions)



All Funds FY17 Revenues \$190.3M



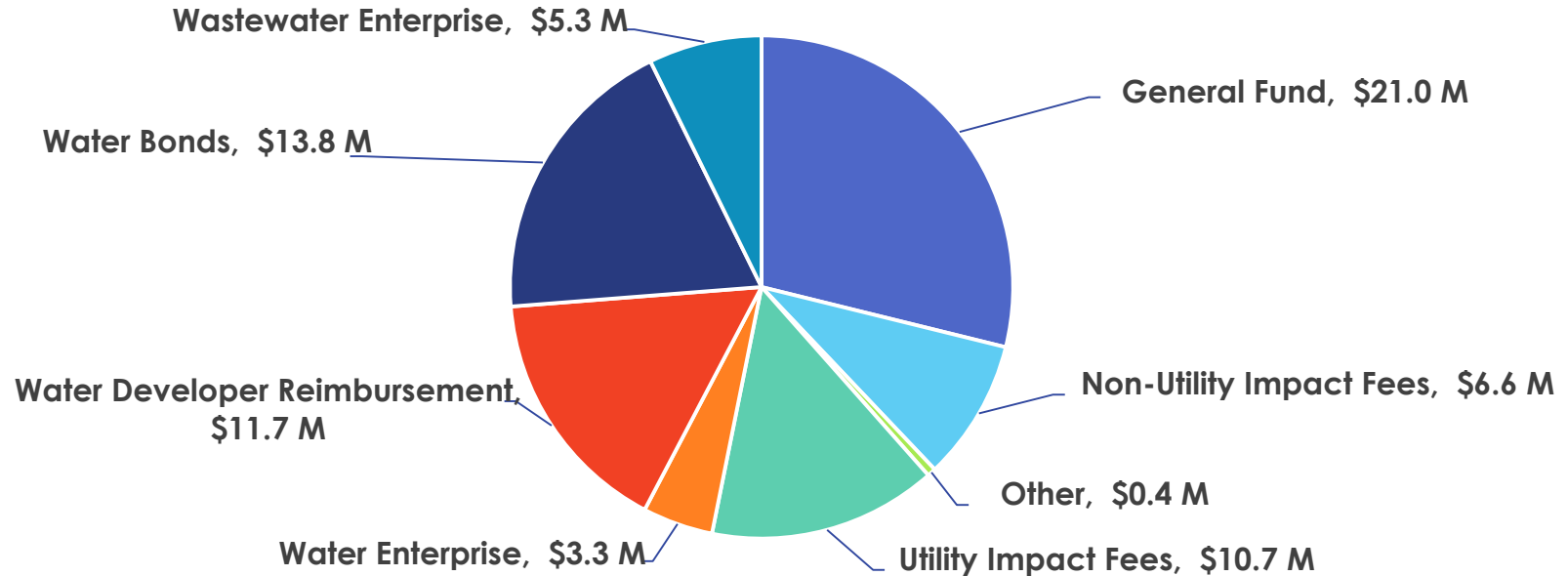
(in millions of dollars)



FY17 Proposed Capital Improvement Program (CIP) - \$72.8M



Funding Sources



Project Highlights for FY17



General Government	Water and Wastewater Utilities
Planning for park, recreation center, and aquatics facility	Replace the dome on the Corgett Water Reclamation Plant
2 Traffic Signals	Expand capacity at Adaman Well Site
Complete work on Sarival between Portland and Van Buren	Expand capacity at Goodyear Water Reclamation Facility by 2MGD
Complete first phase of Police Operations facility	Oversize lines to address system-wide need rather than only size for a single development
Various drainage improvements	Begin work to develop new water well
Repair and replace right of way landscaping	Rehab and repair work

Summary of 17 Position Additions in FY17 Proposed Budget (page 1 of 2)



16 General Fund, 1 Water Enterprise Fund

- Finance
 - 1 Customer Service Representative
 - 1 Procurement Specialist
- Human Resources
 - 1 Business Partner
- Parks
 - 1 Customer Services Rep II (part-time conversion)
 - 1 Parks Worker I
- Public Works
 - 1 Facilities Maintenance Worker III
 - 1 Maintenance Mechanic (Water Enterprise Fund)

Summary of 17 Position Additions in FY17 Proposed Budget (page 2 of 2)



16 General Fund, 1 Water Enterprise Fund

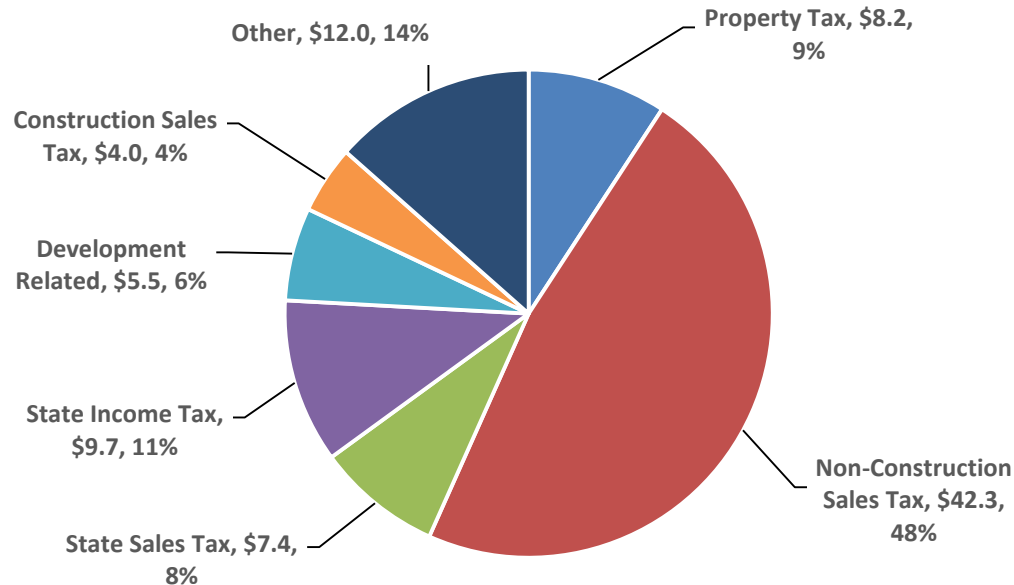
- Police Department
 - Sworn
 - 1 Sergeant and 5 Police Officers
 - 1 SRO Sergeant
 - 1 Investigator
 - Non-Sworn
 - 1 Telecommunication Operator
 - 1 Management Assistant

FY17 General Fund Proposed Budget

FY17 General Fund Revenue - \$89.1M



(in millions of dollars)



Other General Fund Resources:

- Transfers from Enterprise Funds - \$2.8M
- Beginning Balance - \$45.7M

Property Tax Rates and Levies



	FY16 Levy	FY16 Rate*	FY17 Levy	FY17 Rate*
PRIMARY <i>General Fund Ongoing</i>	\$ 7,807,747	1.1637	\$ 8,240,777	1.1598
SECONDARY <i>Debt Service on GO Bonds</i>	\$ 4,738,940	0.7063	\$ 4,991,799	0.7025
TOTAL	\$ 12,546,687	1.8700	\$ 13,174,867	1.8623

*Per \$100 of Assessed Valuation

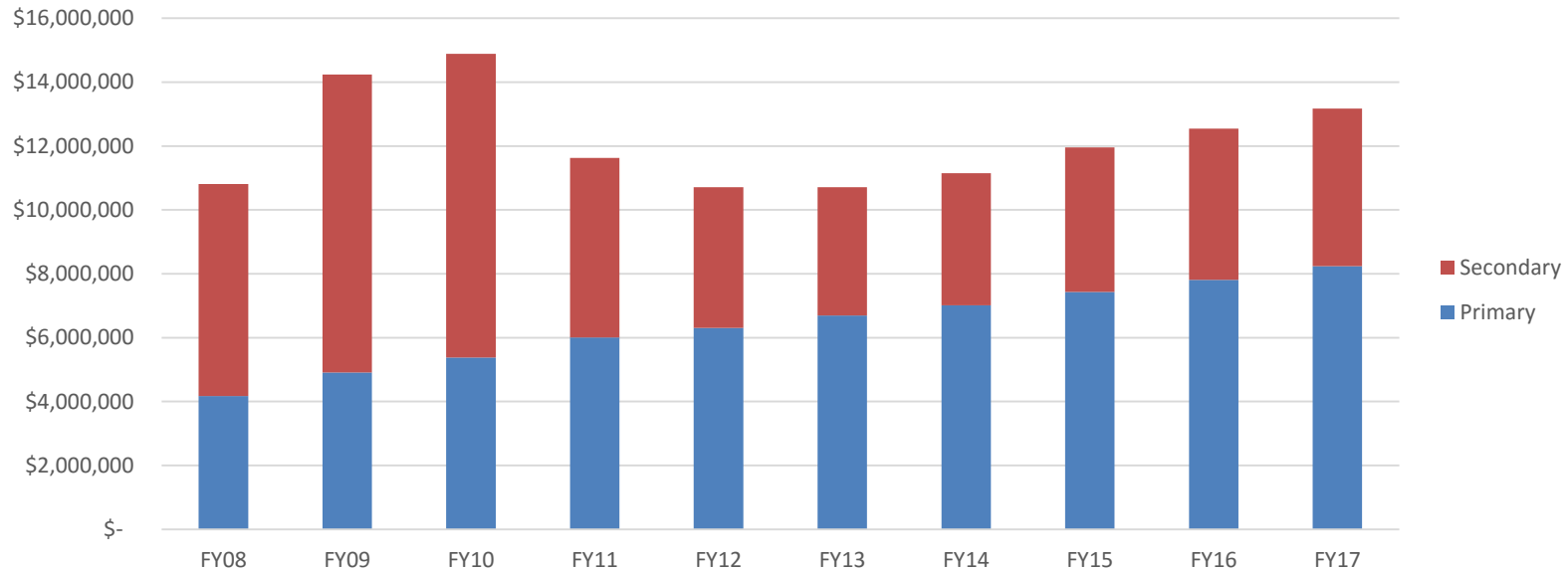
Goodyear Property Tax - \$100,000 home: \$187.00 \$186.23

Property Tax Levies



	Primary	Secondary	Total
FY16 Levy	\$ 7,807,747	\$ 4,738,940	\$ 12,546,687
Appreciation	161,291	79,716	241,007
New Construction	271,739	173,143	444,882
FY17 Levy	\$ 8,240,777	\$ 4,991,799	\$ 13,232,576

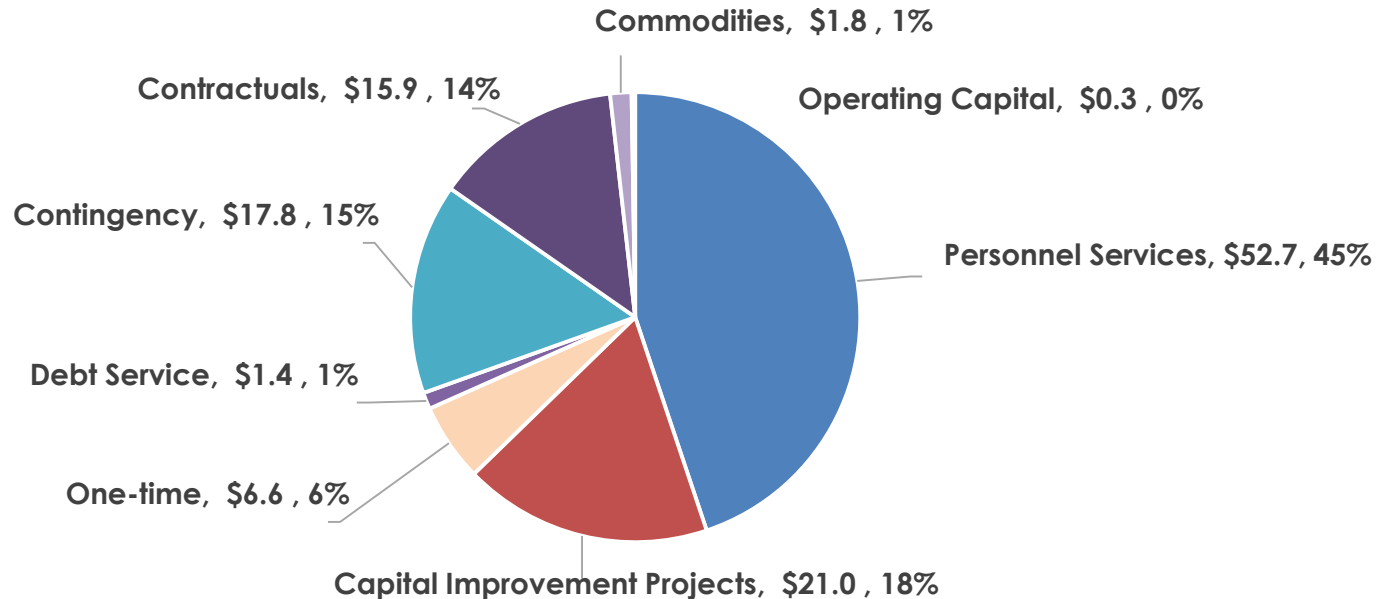
Historical Combined Property Tax Levy



FY17 General Expenditures - \$117.5 M



(in millions of dollars)



Highlights of Proposed Supplementals and Other Additions – General Fund



SUPPLEMENTALS

Take Care of What We Have

- Asset management: fire trucks, patrol vehicles, police radios, right of ways and parks replacements, fire safety and breathing equipment, and other equipment

Public Safety

- Police: patrol squad and investigator, School Resource Officer sergeant, jail and other service contracts
- Fire: Paramedic training, fire station location analysis, training equipment
- Other: Storm drainage, pool repairs, tree trimming

Highlights of Proposed Supplementals and Other Additions – General Fund



SUPPLEMENTALS

Plan for Anticipated Operating Costs

- Operating Cost Set-Aside: build operating budget capacity for expected new programs and services
 - Open Future Capital Projects – 2 fire stations, expansion of police operations facility and park, aquatic center and recreations center
 - Others: future police squad, library transfer from County

Attract, Develop, and Retain a Skilled Workforce

- Tools, technology, training, fair and competitive salaries and benefits

Key Other Funds

FY17 Sanitation Proposed Budget - \$6.5M



- Base Budget
 - Absorbed a portion of bulk waste tipping fee increase
 - Vehicles and IT per plans
- Supplementals
 - Ongoing
 - Residential service contract and account growth - \$317,000
 - Take over containers – Net \$0 change
 - Bulk waste tipping fee - \$10,000
 - One-Time
 - Rental equipment to continue service while City equipment is serviced - \$18,000 – One-time
 - Consultant study of sanitation service delivery options in advance of contract expiration - \$50,000 – One-time

FY17 Water Proposed Budget - \$8.4M



- Base Budget
 - Vehicles and IT per plans
- Supplementals
 - Ongoing
 - Tank coating and rehab program - \$250,000
 - Maintenance Mechanic – provide proactive maintenance - \$86,000
 - One-Time
 - Booster 8 Electrical Cabinet - \$200,000
- Operating and CIP consistent with rate plan

FY17 Wastewater Proposed Budget - \$5.0M



- Base Budget
 - Vehicles and IT per plans
 - Absorbed increased phone and equipment rental
- Supplementals
 - Ongoing
 - Repair and replacements for Collections, Corgett WRF, GYWRF, and Rainbow Valley WRF- \$265,000
 - One-Time
 - SCADA Interconnect - \$232,000
- Operating and CIP consistent with rate plan

FY17 Highway User Revenue Fund (HURF)

- \$5.5M



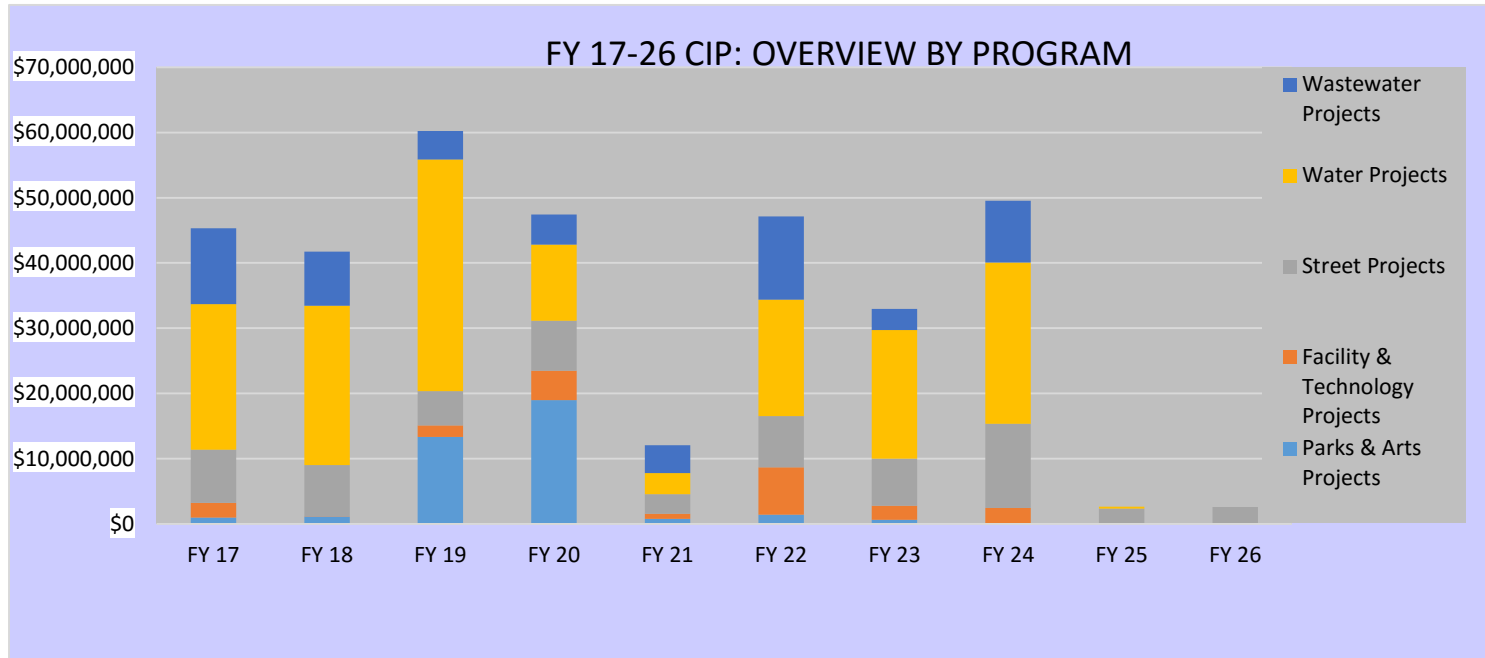
- Base Budget
 - Absorbed overtime cost increase
- Supplementals
 - Ongoing - \$68,000
 - Traffic Signal Pole Repainting Program
 - One-Time- \$289,100
 - Vehicle, Traffic Center relocation, emergency drainage repairs, grader rental, retrofit illuminated street names signs,

10-Year CIP

FY17-26 Draft Capital Improvement Program (CIP) - \$341.6M



Annual Amounts by Program



CIP Project Highlights for FY18-26



General Government	Water and Wastewater Utilities
Park, recreation center, and aquatics facility	Expand capacity at Adaman Well Site
2 Fire Stations	Expand capacity at Goodyear Water Reclamation Facility by another 2MGD
Police Operations facility expansion	Water wells
Intersection improvements	Oversize lines to address system-wide need rather than only size for a single development
Traffic signals	Additional water storage 1.2MG
Road improvement projects	Rehab and repair work

Next Steps

Regular Meeting Action Items

May 23	Tentative Adoption
June 27	Final Budget Adoption, Truth & Taxation
July 11	Property Tax Levy

Thank You